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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-eighth Meeting  
Montreal, 3-7 April 2006

**PROJECT PROPOSAL: ROMANIA**

This document consists of the comments and recommendation of the Fund Secretariat on the following project proposal:

Phase out

- National CFC phase-out plan (second tranche)

UNIDO and  
Sweden

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**  
**COUNTRY: ROMANIA**

**PROJECT TITLE****BILATERAL/IMPLEMENTING AGENCY**

National CFC phase-out plan (second tranche)	UNIDO and Sweden
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**NATIONAL CO-ORDINATING AGENCY:**

Ministry of Environment and Water Management (MEWM)

**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT****A: ARTICLE-7 DATA (ODP TONNES, 2004, as of 12 August 2005)**

Annex A Group I: CFC	116.748
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**B: COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes, 2003, as of October 2004)**

ODS	Foam	Ref. servicing	Ref. manuf.	Aerosol	Solvents	Process agent
CFC-12	0	323*	0	36.0	0	0
CFC-11	0	2.56	0	0	0	0

\*Stock at 31 December 2003: 130.5 ODP tonnes CFC-12

<b>CFC consumption remaining eligible for funding (ODP tonnes)</b>	n/a
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**CURRENT YEAR BUSINESS PLAN:** Total funding US \$255,000; total phase-out 73.2 ODP tonnes

PROJECT DATA		2005	2006	2007	2008	2009	2010	Total
CFCs (ODP tonnes)	Montreal Protocol limits	337.9	337.9	101.4	101.4	101.4	0	-
	Consumption limit	220	146.8	69.7	33.2	16.0	0	-
	Annual phase-out from ongoing projects	0	0	46.54	0	0	0	46.54
	Annual Phase out newly addressed	14.6	35.8	14.9	17.8	8.4	7.8	99.3
	Annual unfunded phase-out	15.4	37.4	15.6	18.7	8.8	8.2	104.2
<b>TOTAL ODS CONSUMPTION TO BE PHASED OUT</b>		<b>30.0</b>	<b>73.2</b>	<b>77.04</b>	<b>36.5</b>	<b>17.2</b>	<b>16.0</b>	<b>250.0</b>
Total ODS consumption to be phased-in (HCFCs)		0	0	0	0	0	0	-
<b>Project costs (US \$):</b>								
Funding for lead agency, UNIDO		159,050	236,750	30,000	0	0	0	425,800
Funding for Sweden		119,050	0	0	0	0	0	119,500
Total project funding		278,550	236,750	30,000	0	0	0	545,300
<b>Support costs (US \$)</b>								
Support cost for lead agency – UNIDO		11,929	17,756	2,250	0	0	0	31,935
Support cost for Sweden		15,535	0	0	0	0	0	15,535
Total support costs		27,464	17,756	2,250	0	0	0	47,470
<b>TOTAL COST TO MULTILATERAL FUND (US \$)</b>		<b>306,014</b>	<b>254,506</b>	<b>32,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>592,770</b>
Project cost effectiveness (US \$/kg)								5.49

**FUNDING REQUEST:** Approval of funding for 2<sup>nd</sup> tranche (2006) as indicated above.

<b>SECRETARIAT'S RECOMMENDATION</b>	<b>Blanket approval</b>
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## PROJECT DESCRIPTION

1. UNIDO submitted on behalf of the Government of Romania a request for funding of the second tranche of the National CFC Phase-out Plan (NCP) for Romania. The NCP was approved at the 45<sup>th</sup> meeting with associated funding of US \$545,300. It was to be implemented by UNIDO (lead agency) and Sweden, and aimed at phasing out a total of 250 ODP tonnes of consumption to achieve complete CFC phase out in all sectors. The request for funding of the second tranche is submitted according to the Agreement between Romania and the Executive Committee and amounts to US \$236,750 plus agency support cost of US \$17,756 for UNIDO. It is accompanied by the report on the implementation of the first tranche, the annual implementation programme for the second tranche, and a verification report. As per the agreement, no funding is being requested for Sweden for the second tranche.

2. The National CFC Phase-out Plan (NCP) for Romania aims at achieving complete CFC phase out in all sectors. Romania is classified as a high-volume-consuming country that does not export any CFCs. Romania ceased CFC production in 1996. The NCP was prepared by the Ministry of Environment and Water Management (MEWM), with the assistance of UNIDO and Sweden.

3. The submission included verified consumption data for 2004 as well as preliminary data for 2005. The preliminary 2005 data showed an increase in consumption by 59% or 68.7 ODP tonnes. The 2006 consumption needs to decrease from the 2005 value by 38.6 ODP tonnes in order to reach the agreed limits for 2006. UNIDO pointed out that the reason for the increase in CFC consumption in the country was that the consumption in the refrigeration-servicing sector increased due to improvements in the economy as well as stockpiling.

4. Most activities for 2005 did not fully achieve their defined milestones. The completion of several activities leading to the fulfilment of the milestones was hampered by a delay in the set-up of the Project Management Unit (PMU). Although the milestones have not been achieved, there has been significant progress towards them.

5. The planned activities for 2006 are concentrated on the servicing sector and institutional issues:

- (a) Continuation of train-the-trainers programme at vocational schools in order to enable them to train the existing workforce;
- (b) Strengthening of vocational schools;
- (c) Establishment of a Code of practice for service technicians;
- (d) Extension of customs officers' training;
- (e) Initiation of the updating of licensing system for technicians;
- (f) Finalisation of the set-up of a PMU and other activities to make management and monitoring of the NCP fully operational; and

- (g) Initiation of the review and updating of the Ozone Depleting Substances (ODS) Regulations to support import/export licensing system and activities proposed in the NCPP.

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

6. The delay in implementation and completion of activities for 2005 is associated with the delay in the set-up of the PMU. Based on a request for information, the Secretariat was informed that the PMU would be set up during the first six months of 2006, which should lead to completion of the various ongoing activities and the fulfilment of most of the milestones. Delays in particular in the set-up of the PMU are fairly common in the first year of implementation. These delays compared to the original planning are so far minor, are related to start-up difficulties, and are likely to be compensated for in the next 12 months.

7. The Secretariat noted positively the completeness and thoroughness of the information provided by UNIDO. The verification report provided addresses the 2004 consumption data as well as the institutional set-up. The report is well structured and addresses all the questions relevant for this tranche. A number of minor issues raised by the Secretariat have been settled.

### RECOMMENDATION

8. The Fund Secretariat recommends blanket approval of the second tranche of the phase-out plan with associated support costs at the funding levels shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	National CFC phase-out plan (second tranche)	236,750	17,756	UNIDO
(b)	National CFC phase-out plan (second tranche)	0	0	Sweden

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